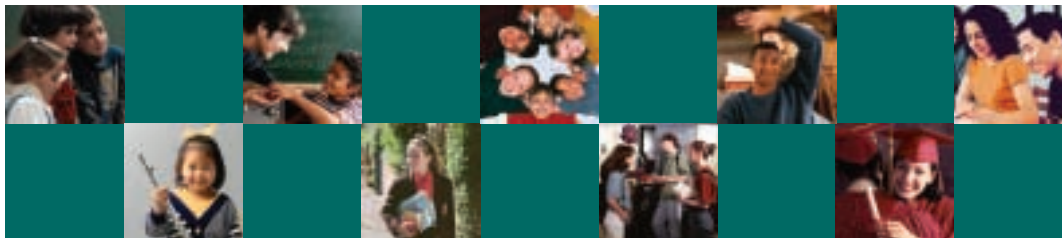


the condition of education 2002



INDICATOR 43

Changes in Public School Revenue Sources

The indicator and corresponding tables are taken directly from *The Condition of Education 2002*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2002*, visit the NCES web site (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002025>) or contact ED PUBs at 1-877-4ED-PUBS.

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NATIONAL CENTER FOR EDUCATION STATISTICS

U.S. Department of Education
Office of Educational Research and Improvement



Public Financial Support

Change in Public School Revenue Sources

Traditional differences in the proportion of local funding to state and federal funding generally persist across the United States, though changes have occurred in the West and Midwest.

Local funding and control of public education may be seen as essential to maintaining public commitment to local schools and ensuring that education reflects community values and aspirations. Moreover, the more local funding a school district receives, the less vulnerable it is to funding shortfalls during economic recessions because local property taxes are relatively stable compared with sales and income taxes, which states generally rely upon to fund school districts (Monk and Brent 1997). However, reliance on local funding can lead to inequities in the financing of education because of differences in local wealth. Over the years, these conflicting factors and concerns have resulted in different proportions of state and local funding among the states.

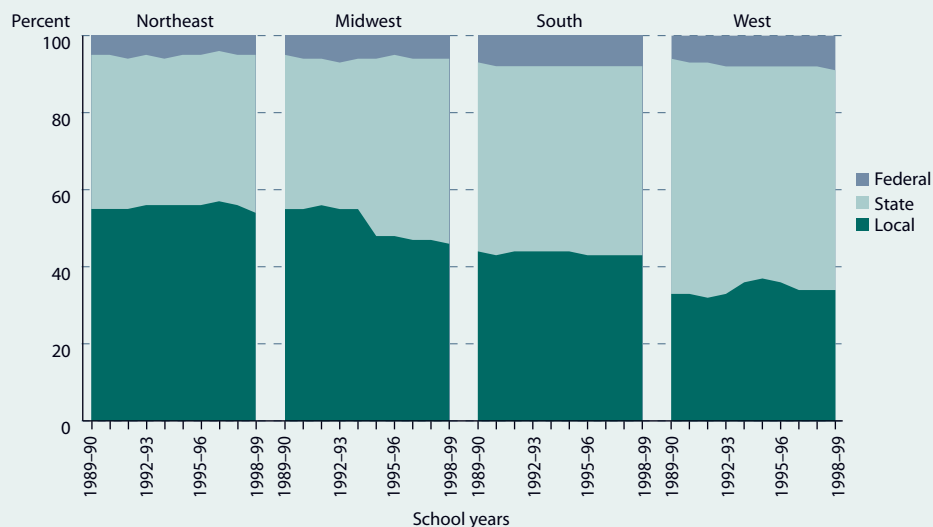
The proportion of total revenue from local sources decreased slightly between 1989–90 and 1998–99 (from 47 to 44 percent) (see supplemental table 43-1). The proportion of revenue from federal and state sources increased slightly during this period (from 6 to 7

percent and from 47 to 49 percent, respectively).

Increases in the proportion of revenue from local sources occurred between 1989–90 and 1998–99 in the West, where schools have historically relied more on state than local funding. The only substantial decrease in local funding occurred in the Midwest, where local funding dropped from 55 percent in 1993–94 to 48 percent in 1994–95 and has remained at the lower level since then. This decrease coincides with a reduction of the local property tax in Michigan. The decrease in local funding in the Midwest was also accompanied by a large increase in state funding.

In the Northeast and South, no shifts in funding were observed. Historic funding differences, whereby the Northeast relied to a greater degree on local funding than the South and West, persisted.

CHANGE IN REVENUE SOURCES: Percentage distribution of total revenues for public elementary and secondary schools, by region and revenue source: 1989–90 to 1998–99



NOTE: Supplemental Note 1 identifies the states in each region and Supplemental Note 13 provides information on the Consumer Price Index (CPI). See Supplemental Note 13 for more information on revenue types.

SOURCE: U.S. Department of Education, NCES, Common Core of Data (CCD), National Public Education Financial Survey Data, 1989–90 to 1998–99.

FOR MORE INFORMATION:
Supplemental Notes 1, 13
Supplemental Table 43-1
NCES 98-210; Monk and
Brent 1997



Change in Public School Revenue Sources

Table 43-1 Total revenues and percentage distribution of total revenues for public elementary and secondary schools, by region and revenue source: 1989–90 to 1998–99

Region and revenue source	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99
Revenues (in thousands of constant 1998–99 dollars)										
United States										
Total revenue	270,248	274,416	279,277	285,878	292,765	298,816	306,402	315,880	331,568	347,330
Federal	16,458	16,926	18,445	19,928	20,640	20,328	20,346	20,793	22,586	24,522
State	127,303	129,411	129,510	130,922	132,197	139,732	145,554	151,627	160,374	169,299
Local	126,486	128,078	131,321	135,029	139,927	138,756	140,503	143,460	148,607	153,510
Northeast										
Total revenue	66,422	67,309	67,828	68,723	69,951	71,134	72,334	72,804	75,235	79,105
Federal	3,080	3,103	3,483	3,727	3,726	3,354	3,618	3,535	3,797	4,222
State	26,717	27,250	26,779	26,639	26,851	27,750	28,010	28,096	29,277	32,312
Local	36,625	36,956	37,566	38,358	39,375	40,029	40,705	41,173	42,161	42,571
Midwest										
Total revenue	63,488	64,668	65,922	68,327	70,430	72,922	74,204	77,413	80,321	83,364
Federal	3,405	3,576	3,894	4,135	4,219	4,282	4,246	4,430	4,806	5,182
State	25,141	25,476	25,004	26,272	27,451	33,400	34,638	36,267	37,874	39,847
Local	34,943	35,615	37,024	37,920	38,759	35,240	35,320	36,716	37,641	38,334
South										
Total revenue	83,640	85,394	86,523	88,479	91,395	93,879	96,940	99,284	105,101	111,294
Federal	6,113	6,243	6,739	7,424	7,696	7,532	7,401	7,706	8,361	9,014
State	41,095	42,248	41,929	42,433	43,906	45,140	47,473	48,502	51,864	54,839
Local	36,432	36,902	37,855	38,622	39,793	41,207	42,067	43,076	44,876	47,441
West										
Total revenue	56,698	57,045	59,004	60,349	60,989	60,881	62,924	66,379	70,910	73,567
Federal	3,861	4,004	4,330	4,641	4,999	5,160	5,081	5,122	5,622	6,103
State	34,350	34,437	35,798	35,578	33,989	33,442	35,432	38,761	41,360	42,300
Local	18,486	18,605	18,877	20,130	22,000	22,280	22,411	22,495	23,929	25,164

See footnotes at end of table.

Change in Public School Revenue Sources

Table 43-1 Total revenues and percentage distribution of total revenues for public elementary and secondary schools, by region and revenue source: 1989–90 to 1998–99—Continued

Region and revenue source	1989–90	1990–91	1991–92	1992–93	1993–94	1994–95	1995–96	1996–97	1997–98	1998–99
Percentage distribution										
United States										
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	6.1	6.2	6.6	7.0	7.1	6.8	6.6	6.6	6.8	7.1
State	47.1	47.2	46.4	45.8	45.2	46.8	47.5	48.0	48.4	48.7
Local	46.8	46.7	47.0	47.2	47.8	46.4	45.9	45.4	44.8	44.2
Northeast										
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	4.6	4.6	5.1	5.4	5.3	4.7	5.0	4.9	5.0	5.3
State	40.2	40.5	39.5	38.8	38.4	39.0	38.7	38.6	38.9	40.8
Local	55.1	54.9	55.4	55.8	56.3	56.3	56.3	56.6	56.0	53.8
Midwest										
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	5.4	5.5	5.9	6.1	6.0	5.9	5.7	5.7	6.0	6.2
State	39.6	39.4	37.9	38.5	39.0	45.8	46.7	46.8	47.2	47.8
Local	55.0	55.1	56.2	55.5	55.0	48.3	47.6	47.4	46.9	46.0
South										
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	7.3	7.3	7.8	8.4	8.4	8.0	7.6	7.8	8.0	8.1
State	49.1	49.5	48.5	48.0	48.0	48.1	49.0	48.9	49.3	49.3
Local	43.6	43.2	43.8	43.7	43.5	43.9	43.4	43.4	42.7	42.6
West										
Total revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal	6.8	7.0	7.3	7.7	8.2	8.5	8.1	7.7	7.9	8.3
State	60.6	60.4	60.7	59.0	55.7	54.9	56.3	58.4	58.3	57.5
Local	32.6	32.6	32.0	33.4	36.1	36.6	35.6	33.9	33.7	34.2

NOTE: Percentages may not add to 100.00 due to rounding. *Supplemental Note 1* identifies the states in each region. See *Supplemental Note 13* for more information on revenue types.

SOURCE: U.S. Department of Education, NCES. Common Core of Data (CCD), Revenues and Expenditures of Public Elementary and Secondary Day Schools; Statistics of State School Systems; Common Core of Data Surveys, 1989–90 to 1998–99.